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Hearing Date: November 10, 2010
Hearing Time: 10:00 a.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES INVESTOR PROTECTION	:
CORPORATION,	:
	: SIPA Liquidation
	:
Plaintiff,	:
	: No. 08-01789 (BRL)
vs.	:
	: Adv. Pro. No. 09-01265 (BRL)
BERNARD L. MADOFF INVESTMENT	:
SECURITIES LLC,	: (Substantively Consolidated)
	:
Defendant.	:
-----X	
In re:	:
	:
BERNARD L. MADOFF	:
	:
Debtor.	:
-----X	

OBJECTION TO TRUSTEE'S MOTION FOR ENTRY OF AN
ORDER (I) APPROVING LITIGATION CASE MANAGEMENT
PROCEDURES FOR AVOIDANCE ACTIONS AND
(II) AMENDING GLOBAL PROTECTIVE ORDER

On behalf of numerous customers Lax & Neville, LLC hereby objects to the Trustee's Motion for Entry of An Order (I) Approving Litigation Case Management Procedures for Avoidance Actions and (II) Amending Global Protective Order (hereinafter the "Motion") [Dkt.

No. 3058] filed October 21, 2010 by the Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”).¹

The Motion is premature as it seeks to limit the procedural rights of putative defendants before they have even been sued. Furthermore, the Motion is premature as numerous customers have appealed the Trustee’s definition of “Net Equity,” which is now before the Court of Appeals for the Second Circuit (the “Appeal”). Within the Appeal, numerous customers have asserted that the Trustee’s avoidance powers are limited by various provisions of the Bankruptcy Code, including, but not limited to, Section 546(e). If the Appeal is sustained, the procedures sought by the Trustee’s Motion are likely unnecessary. Accordingly, the avoidance actions covered by the Motion should also be stayed pending the resolution of the Appeal.

Lax & Neville, LLP, on behalf of numerous customers, joins and incorporates herein the objections filed by Davis Polk & Wardwell LLP [Dkt. No. 3107], Becker & Poliakoff LLP [Dkt. No. 3109], and Milberg LLP and Seeger Weiss LLP [Dkt. No. 3113].

¹ As the Trustee has not disclosed against whom he will be filing avoidance actions, it is not possible to identify herein the specific customers represented by Lax & Neville, LLP who will be affected by the Trustee’s Motion. This objection is filed on behalf of the unnamed customers currently represented by Lax & Neville, LLP and/or those customers that may retain Lax & Neville, LLP once the Trustee files the avoidance actions. For electronic filing purposes only, Lax & Neville, LLP filed this opposition on behalf of those customers who appealed the “Net Equity” decision.

CONCLUSION

For the reasons stated herein, the Motion should be denied and an order entered staying all of the Trustee's avoidance actions pending a final, non-appealable order on "Net Equity."

Dated: New York, New York
November 4, 2010

Respectfully submitted,

LAX & NEVILLE, LLP

By: /s/ **Brian D. Maddox**
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